

EXHIBIT 1 PART 2

1 contention interrogatories counsel uses information from a
2 consulting expert, that that consulting expert's analysis
3 then becomes free game?

4 MR. BRODY: I think if the factual basis for the
5 contention is a report from an expert, that expert is no
6 longer a consulting expert, because, precisely because the
7 work product the expert has generated is no longer being
8 held in confidence. It is being asserted as the basis for
9 the contention.

10 Think about it from the other direction, Your
11 Honor. If that information could be protected, then what
12 that, in effect, says is you are allowed to know what the
13 contention is but you are not allowed to know why the
14 contention is being made.

15 I just can't -- well, I think we are entitled to
16 that.

17 THE COURT: I understand.

18 MR. VANDER TUIG: Your Honor, if I may, we are
19 giving them all the facts and the protocols that underlie
20 the investigation. You know, the fact that they are getting
21 all the raw data, they are getting all the protocols for how
22 it is collected, they are going to get that.

23 Dr. Mulsamuel (phonetic), the person who wrote
24 the report, did not conduct all of the tests. I am not sure
25 if he conducted any of the tests. We had the testing

1 facilities at MEMC that actually ran the tests. So those
2 are the people that actually did, I believe, most of the lab
3 work.

4 He wrote the report. When I say report, it's
5 not a Rule 26 report. It's: I asked him questions, he
6 answered the questions, and sent it to me in the form of a
7 report. But he is a nontestifying expert who we asked
8 questions about the data that was collected and he answered
9 them.

10 So it seems to me that this is -- if on a
11 contention interrogatory they suddenly get all of the
12 sources that the attorney uses to assemble and assess the
13 facts, as well as those independent sources' analysis of the
14 facts, well, then, it seems like contention interrogatories
15 automatically amount to a waiver in every circumstance, and
16 I don't know how that works.

17 I think you have got to give people the facts.
18 To the extent contention interrogatories are permissible,
19 you have to answer the contention. But they are not
20 entitled to all the work product you use in the context of
21 the answer you use with the contention interrogatory.

22 UNIDENTIFIED SPEAKER: Your Honor, if I could
23 very briefly. I think Mr. Evans's argument, you know, sort
24 of argues too much and too little.

25 On the one hand, if all you need is the facts,

1 the underlying data, and that's enough to satisfy their
2 obligation to explain the basis for their contention, then
3 they probably don't even owe us the testing data. They
4 could just say, you know, you have got the wafers, here are
5 the tests that were used, you can go ahead and test them
6 yourself.

7 But the point, I think, is that -- it remains
8 their burden of proof and we are entitled to understand the
9 factual basis for their contentions.

10 On the other side of the coin, Mr. Evans didn't
11 simply get the test results in the interrogatory answer. He
12 didn't ask Dr. Mulsamuel for a report because the data was,
13 you know, self-evident and transparent and there was no need
14 for any further analysis of it. He presumably asked for the
15 report because he needed help from an expert to draw the
16 inference that the wafers infringed.

17 I don't know that Dr. Mulsamuel went down the
18 claims and did an analysis for him. But presumably he gave
19 him enough information from the perspective of a person of
20 skill in the art of these kinds of testing methodologies
21 that let Bob do the legal analysis on his own.

22 I don't want Bob's legal analysis. I am not
23 entitled to it. But I do want to know what the basis of the
24 legal conclusions was.

25 THE COURT: The factual basis.

1 MR. BRODY: Exactly.

2 THE COURT: Okay. I find that the raw data,
3 obviously, should be made available, which I understand.
4 The methodology for analyzing the wafers should also be made
5 available.

6 The issue gets a bit thornier as to how much
7 further beyond that point Soitec would be entitled to
8 information, because, clearly, Rule 26 recognizes experts
9 that are going to be called upon to testify at trial. And
10 basically it's practically anything and everything they
11 looked at you get access to, even if it didn't become part
12 of their opinion. Then you have got the balancing with it
13 experts that are used in consultation for the purposes of
14 assisting counsel.

15 I think it gets problematic, although I
16 recognize Soitec's argument that a conclusion was put into
17 the answers to interrogatories, and I think some
18 potential -- let me just try to remember -- response was
19 indicating some of the basis for why the conclusion was what
20 it was. And this is where -- I don't think that counsel is
21 entitled to know what questions were asked of the Doctor.

22 To the extent that, how he reached his
23 conclusion that there is infringement, that information I do
24 think Soitec is entitled to. That means that may very well
25 be parsing out portions of this report. I haven't seen his

1 report, so I can't determine that. And to that extent I
2 would be willing to look at it and give you an idea as to
3 what portions of that report I think are discoverable.

4 UNIDENTIFIED SPEAKER: Would you like us to
5 submit a copy, Your Honor?

6 THE COURT: Yes. And I could go through it,
7 because it's hard for me to explain it. But why he
8 concluded that they infringed, that type of information I do
9 think is disclosable, but not "Did you look at X to make
10 this conclusion" or "Did you look at Y" or "Have you looked
11 at this," that type of information I don't think is.

12 So it is parsing it out. I don't know whether
13 you want to try to go through one, run through and produce
14 it and see without me looking at it, because I am no expert
15 in this field by any stretch of the imagination.

16 UNIDENTIFIED SPEAKER: I haven't thought about
17 the report from that direction. So I want to look through
18 it and see.

19 THE COURT: Sure. And if you want me to review
20 it, I will, and try to give some direction as to where I see
21 what type of disclosures I think are appropriate and where I
22 don't think they are appropriate.

23 UNIDENTIFIED SPEAKER: I would feel more
24 comfortable, probably, with letting you be the arbiter of
25 what should and not be produced to me. Why don't we send

1 you a copy of the report confidentially, and go from there.

2 THE COURT: That is fine. Show me where the
3 areas that were not disclosed -- I don't want the raw test
4 data, thank you. It is not going to help me one iota. You
5 can send it to me. But I am not real comfortable I am going
6 to be able to figure out what that means.

7 UNIDENTIFIED SPEAKER: There is a fair amount of
8 volume on the actual test data.

9 THE COURT: I would imagine.

10 UNIDENTIFIED SPEAKER: We are going to give it
11 to them anyway.

12 THE COURT: Those two points definitely, I
13 think, the methodology and also the raw test data. I don't
14 know how long the report is or how it is broken down.

15 UNIDENTIFIED SPEAKER: It is not terribly long.
16 Why don't we put together a submission to you that sort of
17 explains what we think should stay in and what should stay
18 out and why in the context of what you are saying now. We
19 will forward it to you and then you can give us guidance or
20 tell us what to do.

21 THE COURT: That is fine.

22 The report, obviously, I think maybe -- if I
23 have any problems I will just get us back on the phone
24 again.

25 Okay. The next issue is, from what I

1 understand, you are requesting documents and deposition
2 testimony relating to the conception of the alleged
3 invention at issue. This I find to be a little thornier,
4 too, as far as analysis is concerned in this. I am really
5 trying to understand what information you are trying to get.
6 I guess you got to provide me with a little bit more
7 specifics, to the extent that you feel comfortable doing
8 that, and what information was allegedly provided, because
9 the two of you seem to be at odds as to what invention
10 disclosure and related testimony was conveyed, because
11 what's been pointed out to me -- and I know the Fed Circuit
12 does recognize this -- is that invention disclosures
13 generally fall within the category of attorney-client
14 privilege.

15 MR. BRODY: Is it all right if I start on this?

16 THE COURT: Absolutely. It is your motion.

17 MR. BRODY: Yes. We are not disputing that
18 invention disclosures are sort of prima facie privileged,
19 and this is a clear waiver issue.

20 Really, there are two things that we are asking
21 for. One is what I will call the '302, the bulk silicon,
22 let me put it that way, invention disclosure. And the other
23 is, we are asking to be allowed to pursue some questions
24 with Mr. Hejlek and Dr. Falster about some conversations
25 that they had.

1 Let me try to be brief about the factual
2 background. But I do think it's helpful here.

3 Basically, MEMC has two sets of patents. One is
4 sort of a patent on, if you will, chunky peanut butter. And
5 another is a patent on putting chunky peanut butter in a
6 sandwich.

7 MEMC disclosed the -- and, I guess I would add
8 that the patent on chunky peanut butter in a sandwich
9 essentially talks about how great chunky peanut butter
10 tastes and what a wonderful feeling it is.

11 MEMC has produced the invention disclosure on
12 chunky peanut butter. So one question is whether -- and
13 there is a separate invention disclosure on putting it in a
14 sandwich, which has not been produced.

15 So one question is whether disclosing the
16 invention disclosure or producing the invention disclosure,
17 the feature of the combination that makes it sort of novel
18 and patentable, is a waiver with respect to the subject
19 matter of the second disclosure.

20 There we think the argument is that the subject
21 matter of the second disclosure, if you will, or the second
22 patent, is inextricably tied up with the subject matter of
23 the first disclosure.

24 It's not that they are claiming that they
25 invented silicon on insulator or peanut butter and peanut

1 butter sandwiches. It is they are claiming that using a
2 particular type of material in these devices, these wafers,
3 makes them particularly desirable.

4 In fact, a very large portion, I don't know what
5 the exact percentage is, 30, 40, 50 percent of the
6 disclosure is sort of simply lifted verbatim from the patent
7 on peanut butter.

8 There is additional disclosure about making the
9 combination, making the sandwich. But there is no question
10 that the subject matter of the second patent encompasses the
11 subject matter of the first patent. Therefore, the subject
12 matter of the second disclosure encompasses the subject
13 matter of the first disclosure.

14 And they, in effect, are saying, well,
15 notwithstanding that we have waived the privilege with
16 respect to how you make the special spread, we are going to
17 preserve the privilege with respect to a sandwich containing
18 that special spread.

19 I think that's a pretty clear waiver. If it
20 weren't, even if it weren't, I think that the waiver is
21 compounded by the deposition testimony that we did get.
22 Apparently, what happened is that at some point after the
23 patent issued there was a conversation between counsel and
24 Dr. Falster, the inventor, patent counsel and Dr. Falster,
25 the inventor, about the circumstances under which he

1 conceived this invention. Apparently, an issue arose as to
2 whether Soitec was a co-inventor, and, in fact, that is an
3 issue in the case, and Mr. Hejlek having testified as to a
4 conversation he had with Dr. Falster about whether, in fact,
5 Soitec was a co-inventor, and about a meeting that everybody
6 acknowledges took place about almost two years before the
7 patent was applied for, in which Soitec's folks and Dr.
8 Falster talked about essentially the combination, the
9 subjects of the patents in the case.

10 In addition, in their interrogatory answers, and
11 at Dr. Falster's deposition, the story that we have been
12 given is that he conceived of this sandwich in conjunction
13 with a meeting between him and Soitec where Soitec was
14 saying, in essence, we want to make a sandwich of this type.
15 We are looking for suppliers to provide us with this type of
16 peanut butter. Can you do it? And then he spent some time
17 explaining to them how he thought in fact he could.

18 So, you know, what we have got is a disclosure
19 in the interrogatories as to the circumstances under
20 which -- or some disclosure as to the circumstances under
21 which he claims to have conceived the invention, the
22 invention disclosure as to the critical element in the
23 combination. We have got testimony from counsel about his
24 conversations with Dr. Falster regarding what was disclosed
25 in the interrogatories.

1 I asked Mr. Hejlek if Dr. Falster's discussion
2 with him had been consistent with what was in the
3 interrogatories. And he was allowed to answer that
4 question, and he said yes. And then I asked, and did he
5 tell you anything else about the conception of the invention
6 or about the meetings. And at that point I was told that
7 the testimony was privileged. And then when I took Dr.
8 Falster's deposition, he wasn't even allowed to testify to
9 as much as Mr. Hejlek testified to.

10 So there is a disclosure out there that either
11 confirms or disconfirms what's disclosed in the
12 interrogatories and what Mr. Hejlek testified to. There is
13 presumably testimony available that goes beyond what was
14 said that's consistent with the interrogatory answer. And
15 we are not being allowed to get it.

16 I think it's a pretty fundamental rule of waiver
17 law that you can't get a little bit pregnant on these
18 things. If you are willing to disclose part of the story,
19 the stuff that helps, you just got to, you know, give the
20 rest of it up as well. We are entitled to the entire --
21 once they start down the road of sharing with us the
22 privileged information on the conception story, they have to
23 give us the rest of it. And they have given us the
24 invention disclosure on the peanut butter, which they
25 acknowledge is privileged, and which they acknowledge was a

1 waiver. They have given us testimony about conversations
2 between counsel and the inventor on the conception of the
3 peanut butter, to the extent they are consistent with the
4 interrogatory answer on the conception of the peanut butter.
5 But when we ask, can we see the other stuff that might
6 disconfirm your story, that's when we get the stone wall.
7 And I don't think they can do that.

8 THE COURT: They seem to emphasize the timing of
9 this discussion as being significant.

10 MR. BRODY: I saw that. And I apologize. I
11 will express this directly. I don't see that as a response.
12 The fact that the conversation took place after the
13 application was filed probably goes to the question of
14 whether Mr. Hejlek should have disclosed it at some point.
15 But it doesn't go to -- the underlying question is, when did
16 he conceive the invention and under what circumstances. And
17 that's a huge issue in this case, because we think he did it
18 in conjunction with our people, that actually we gave him
19 the basic idea.

20 He says, no, no, no. I came up with it
21 separately. If Mr. Falster, Dr. Falster, had told Mr.
22 Hejlek last week, you know what, Ed? I have been thinking
23 about it, and Soitec is right, the fact that that came last
24 week or, you know, a year ago or five years ago doesn't have
25 anything to do with it.

1 The question is whether they have waived the
2 privilege with respect to facts surrounding the conception
3 of this invention. And the reality is that they have given
4 us admittedly privileged documents -- and they are not
5 asking for it back -- about the conception of the peanut
6 butter, that they have given us testimony about
7 conversations between inventor and counsel, which, you know,
8 are clearly within the scope of the attorney-client
9 relationship, and they want to give us some but not all.

10 The fact that the waiver, you know, the waivers
11 came both before and after, I suppose the application is
12 being prepared -- I am sorry, the invention disclosure and
13 the conversation came before and after the application was
14 prepared. But the waivers both came in the context of this
15 litigation. And they can't give us some and not the rest.

16 THE COURT: All right. Thank you.

17 From MEMC's part, please?

18 MR. VANDER TUIG: I guess I will start by
19 saying -- your question to Mr. Brody was what info are you
20 trying to get here. I think what they are trying to get and
21 what we agree they are entitled to are the facts surrounding
22 the conception of the invention claimed in the '104 patent.
23 And they have had a full opportunity, and already have
24 deposed the inventor, Dr. Falster, on this issue. And we
25 did not block on the facts surrounding the conception of the

1 invention.

2 I wanted to make that clear.

3 The info that they are really seeking is, okay,
4 when did you come up with this idea and what were the
5 surrounding circumstances, that they have had full
6 opportunity to depose Dr. Falster on. Now we are just
7 dealing with the waiver issue. And I will take their points
8 one at a time.

9 The first point that they raise is that MEMC
10 waived the privilege it has in its '104 patent invention
11 disclosure by producing the invention disclosure relating to
12 the '302 patent, the perfect silicate patent. That
13 production of that document occurred in a separate
14 litigation concerning the '302 patent. And it has to do
15 with different subject matter.

16 The fact that the patents are somehow related, I
17 don't think that carries the day for Soitec. Patents are
18 received all the time on combination of prior developments.
19 Here, this is a classic situation where there was a prior
20 invention and that was built upon, and another patent was
21 received for the combination of prior invention and the new
22 invention.

23 I didn't notice that Soitec was able to find any
24 authority for the fact that, if you disclose one invention
25 disclosure, all related patents, all invention disclosures

1 for all related patents, the attorney-client privilege in
2 those documents is therefore waived. And I think that would
3 be a bad outcome and a very slippery slope.

4 Turning now to the argument that the
5 interrogatory response somehow waived the attorney-client
6 privilege with respect to conception, there we just set
7 forth the facts of the conception as testified to by our
8 inventor, Dr. Falster. And I just don't quite understand
9 how that can be a waiver of the attorney-client privilege.

10 Finally, turning to the testimony of the patent
11 attorney, Mr. Hejlek, to the extent, as you correctly
12 pointed out, Your Honor, the disclosure, the discussion
13 there -- let me back up a little bit.

14 After the prosecutions closed and the '104
15 patent issued and it was out in the public domain, Soitec
16 started making noise in the marketplace somehow that there
17 is some inventorship issue. And it is at that point that
18 Mr. Hejlek was approached to provide advice on the issue.
19 And to the extent there was any disclosure of the facts of
20 conception through Mr. Hejlek's testimony, it related to
21 that issue and not to anything that occurred during
22 prosecution.

23 I am kind of at a loss as to how they are
24 unfairly prejudiced and that they can't get the full facts
25 of conception when they are not allowed to probe the

1 attorney-client privileged communications that occur
2 after the patent issued, so we are dealing with, you know, a
3 hearsay witness -- I am just at a loss as to how they are
4 unfairly prejudiced if they are not allowed to explore those
5 communications.

6 MR. EVANS: Your Honor, one other point I would
7 make is, we answer interrogatories. We object at
8 deposition. We try to be respectful to process and we try
9 to make judgment calls as to where privilege starts and
10 stops. And we try not to get the Court involved with a lot
11 of them. We try to be sort of even-handed about it.

12 The frustration that I am feeling a little bit
13 is we provide discovery in good faith, and then suddenly we
14 turn around and we hear because we gave them something we
15 are entitled to more. And they try to walk you down the
16 slope.

17 Here, invention disclosures per the Federal
18 Circuit are clearly a privileged document. The invention
19 disclosure that we did give them was one that had been
20 produced in an earlier litigation. And in that earlier
21 litigation it was produced inadvertently, but it was
22 produced nonetheless. And so since it was out there and
23 couldn't get it back in that case, we in good faith said
24 well, it is no longer a privileged document, so we gave
25 to them here. But it is a patent that is not related to

1 priority of the patents in suit here. It was an ~~age~~ 118-31
2 patent. So it is an unrelated patent as a matter of
3 priority. As a matter of subject matter, Mr. Brody is
4 correct, a fair amount of it does appear in the '104 patent,
5 but it appears in the '104 patent in the context of
6 explaining one component, one part, if not the invention,
7 you know, that is at issue here.

8 So the law is pretty clear, these documents are
9 privileged. I don't understand why we answer an
10 interrogatory, we, you know, put witnesses up on the facts,
11 and now they think they are entitled to the privileged
12 documents that are also related to other areas, when the
13 Federal Circuit case law is directly against that.

14 THE COURT: Okay.

15 MR. BRODY: Can I respond, Your Honor?

16 THE COURT: Yes, please do. Because I am now
17 getting the feel that you are talking at cross-purposes.
18 But go ahead.

19 MR. BRODY: I think there are two critical
20 things here. First of all, the conception of the invention
21 happens when the inventor has in his mind a complete idea of
22 the invention. This invention involves making a sandwich
23 with a particular filling. And in order to have that
24 conception, it was necessary for Dr. Falster to have a
25 conception both of the filling and of the idea of using it

1 in a sandwich.

2 They have admittedly waived the privilege as to
3 the first part of that conception, but they have insisted
4 that they are entitled to continue to assert the privilege
5 as to the second part.

6 That I just think is not -- the reason it is not
7 fair is because, with due respect, I am 98-percent sure that
8 when we get that invention disclosure statement, it's going
9 to indicate that he conceived of this two years later and
10 that he didn't acknowledge Soitec's role in it, or maybe
11 it's going to say that he thought of it when he met with
12 Soitec.

13 But one way or another, it is going to throw
14 light on whether he actually conceived of it on his own and
15 when he did so. They can't give us half of the story and
16 not the other half.

17 Second. With respect to the interrogatory
18 answer and the testimony, the interrogatory answer discloses
19 their contention as to how the invention was conceived.
20 When I was deposing Mr. Hejlek, I asked him about this
21 conversation with Dr. Falster. He acknowledged that it took
22 place. Then I said -- this is in Exhibit 4 at Page 152 of
23 the deposition:

24 Okay. Did Dr. Falster, did his description of
25 the conception of the invention differ in any way from

1 what's disclosed in MEMC's Interrogatory Response to
2 Interrogatory No. 5?

3 So I am asking him directly about a conversation
4 between attorney and client. And I am asking him about the
5 substance of that conversation. And I am asking was it
6 consistent with what's in your interrogatory answer. And he
7 was allowed to answer that question. And he said:

8 What's described here is consistent with what my
9 recollection is.

10 And then I said: Did he give you additional
11 information about the conception?

12 And Mr. Vander Tuig interposed an objection.
13 And I said, Well, right now I am not asking for the
14 substance. I am just asking whether anything else was
15 disclosed.

16 And Dr. Falster was allowed to answer. He said:

17 Yes, he shared more than what's here with me.

18 Then I said, What else did he share with you?

19 Then the objection was interposed.

20 So he was allowed to -- Hejlek was allowed to
21 testify that Falster said some things that were consistent
22 with what's in the interrogatory and what's been disclosed,
23 that he gave -- that he, Falster, gave Hejlek additional
24 information, and we weren't allowed to inquire about it.

25 So, you know, they -- if the second question was

1 privileged, so was the first question. And if he is allowed
2 to answer the first question, he has to be allowed to answer
3 the second question. And what's more, if he is allowed to
4 testify, if they are going -- if he is allowed to testify as
5 to evidence that is confirmatory of their contention, we
6 have got to be allowed to see -- and if we are going to get
7 the disclosure that's confirmatory of his conception of a
8 piece of the invention that was prior to the Soitec meeting,
9 we have to be allowed to see the disclosure that goes to the
10 rest of the invention, and we have to get the rest of the
11 testimony.

12 I appreciate Bob's comments. But, frankly, from
13 our perspective, it's not that they are being kind of good
14 citizens about this. It's that they have disclosed the
15 stuff that helps them and they are withholding the stuff
16 that may or may not help them.

17 It's not just that there was a disclosure in a
18 prior case, but there was also disclosure in this case. And
19 they can't -- once they choose to start down the slippery
20 slope, they don't get to be the ones who decide to stop.

21 If there really was an inadvertent disclosure in
22 the prior case, then presumably they were entitled to get
23 that back. There is tons of law about how inadvertent
24 disclosure is not a waiver and documents can be gotten back.
25 All of that is well-established. Even if they couldn't have

1 gotten it back there, at least they could have contended
2 here that that disclosure was inadvertent and they could
3 have sought to reestablish the waiver in this case.

4 But they didn't. They gave us what they wanted
5 to give us on this story, and they haven't given us the
6 rest. And they just can't do that.

7 MR. VANDER TUIG: Your Honor, may I respond?

8 THE COURT: Sure.

9 MR. VANDER TUIG: I just wanted to point out
10 that -- first of all, we are not going to rely on Mr. Hejlek
11 as some sort of corroborating witness on conception, which
12 the unfairness argument seems to rely on. And secondly, on
13 the pages of that deposition transcript of Hejlek that
14 follow the part that Mr. Brody pointed out, we actually took
15 a break and Mr. Hejlek came back and described some of the
16 situations -- some of the facts, that he was aware of
17 various stuff relating to the meeting that they are
18 concerned about.

19 So I don't think it's accurate that we cut him
20 off and only allowed him to confirm the accuracy of the
21 facts in the interrogatory response. In fact, if you read
22 Pages -- this is in the exhibit, I can't remember which
23 exhibit -- but it is Pages 154 through to about 158 or so,
24 or even further, there is a point where the line was
25 eventually drawn is when they wanted to get into Mr.

1 Hejlek's legal advice relating to the situation that
2 developed after the '104 patent had issued where the line
3 was drawn.

4 So this unfairness argument really, I don't
5 think there is much substance to it because they did
6 actually get from Mr. Hejlek all the facts that they wanted
7 relating to the October '96 meeting and what Mr. Hejlek was
8 aware of, the facts that he was aware of concerning that
9 meeting. I wanted to clarify that.

10 MR. BRODY: With due respect, first of all,
11 please do look at the transcript. You know, eventually we
12 were not allowed to inquire. But the fact that he was
13 allowed to answer further questions, you know, merely
14 compounds the waiver with respect to whatever may have
15 been -- whatever the underlying evidence is with respect to
16 Falster's conception.

17 At Falster's deposition, we weren't allowed to
18 ask anything. And we still haven't seen the disclosure
19 statement.

20 You know, it's not that we are looking to Hejlek
21 to corroborate Falster's testimony. Frankly, we think that
22 if we are allowed the discovery, we are going to be getting
23 evidence that disconfirms the contentions. And that is
24 exactly what we are looking for.

25 This isn't hearsay. This is testimony by the

1 inventor, who is an employee of the party, which makes it
2 squarely an admission.

3 So, you know, they can't have it both ways. It
4 can't both be the case that Hejlek's conversation with
5 Falster about conception -- and there is no question that
6 they had a conversation about conception -- it can't both be
7 that that conversation was privileged, which it clearly was,
8 and that they are allowed to testify as to that
9 conversation, and then say, but, you know, that's all you
10 get.

11 So we have got Hejlek's version of a
12 conversation on conception --

13 THE COURT: Let me just finish this. You should
14 have been entitled to get Hejlek's recollection of what the
15 conception was once it was allowed, you should have been
16 allowed to ask the Doctor the same type questions to confirm
17 it. The issue then that I think that is left is what do we
18 do about the invention disclosure statement.

19 UNIDENTIFIED SPEAKER: Let me speak directly to
20 that, if it is okay.

21 THE COURT: Yes. Because that, I will tell you
22 right now, is the one that is giving me probably the most
23 indigestion.

24 MR. BRODY: We tried to save the hard ones for
25 you, Judge.

1 If we are entitled to that testimony, then the
2 reason we are entitled to the testimony is because there is
3 a subject matter waiver as to what was communicated between
4 attorney and client about conception. And that's exactly
5 what the written disclosure statement is.

6 You know, there apparently were three
7 communications between Falster and his lawyers about his
8 conception of this invention. One was the initial invention
9 disclosure on the bulk silicon patents, the peanut butter
10 patents. The second was a conversation between Hejlek and
11 Falster about the conception of the peanut butter sandwich
12 patent. And the third is the written disclosure about the
13 conception of the peanut butter sandwich patent.

14 If there is a waiver as to the first and the
15 third communications, then there is also a waiver as to the
16 second, because it's the same subject matter. It's the same
17 as if there had been a subsequent or a prior conversation
18 about conception. They can't waive with respect to one
19 conversation and not with respect to the other.

20 They can't waive with respect to the oral
21 communication and not with respect to the written
22 communication.

23 That is the unfairness.

24 THE COURT: Okay.

25 MR. VANDER TUIG: Can I respond, Your Honor?

1 THE COURT: Yes.

2 MR. VANDER TUIG: I would just like to point out
3 that Mr. Hejlek clearly said that he did not have a
4 conversation about conception. He had a conversation with
5 Dr. Falster about this October meeting from which Soitec was
6 making these inventorship allegations after the '104 patent
7 issued. If you look at Page 156 of the transcript that
8 Soitec submitted --

9 THE COURT: Let me say this: The problem that I
10 am facing in this is the fact that, apparently, is it Dr.
11 Falster, was cut off with some information relating to
12 conception. There was some exploration, and probably what's
13 been represented to me, further exploration allowed with the
14 attorney. And that was even piece-mealed out.

15 The problem that I have is, did that go to
16 waiving the -- and I think there was a waiver. If this was
17 confidential, you just don't suddenly say, we only waived
18 this section of it, we didn't waive the rest. I do think
19 you did.

20 The question I have is, that I am asking is,
21 does that constitute a waiver of the invention disclosure.

22 MR. VANDER TUIG: Well, Your Honor, my point was
23 that you did not -- that the Hejlek testimony was not to
24 conception but it was to the fact of this October '96
25 meeting which Soitec alleges was, when their employee came

1 up with the idea, rather than the conception of the
2 invention. We submitted in our submission the fact that Mr.
3 Hejlek testified that he never had a conversation with Dr.
4 Falster about conception during prosecution of the '104
5 patent. And at Page 156 of the transcript that Soitec
6 submitted --

7 THE COURT: But that may go to inequitable
8 conduct. I don't know whether it goes to conception and
9 reduction to practice.

10 MR. VANDER TUIG: The point is they didn't talk
11 about conception. They talked about this October meeting,
12 which is different.

13 So to address one other point that he raised,
14 Dr. Falster was not cut off as to the facts of conception.
15 They had a full opportunity to explore all the facts
16 relating to his conception of the idea.

17 He was instructed not to answer when he was
18 asked what conversations he had with Hejlek after the '104
19 patent issued, that conversation we have been talking about.
20 He was not allowed to talk about that conversation. But he
21 was -- I mean, he testified fully about the facts of
22 conception.

23 I mean, there is no unfairness here, Your Honor.
24 They have all the facts they need. I am not sure what else
25 they want.

1 THE COURT: Let's look at Page 155. It starts
2 out where there was a meeting that was attended by Dr.
3 Falster at Soitec's office sometime in October of '96.

4 So he brought to my attention the meeting and
5 the fact that he conceived it before the meeting.

6 I am sorry, I overlooked that before. When you
7 say conceived it, I take it you are saying in conjunction
8 with the meeting, he had conceived the invention before
9 attending the meeting.

10 Then: Did he tell you when he had conceived it?

11 The answer was, I do not recall the date.

12 Not that he didn't know the date. That he
13 didn't recall it.

14 Did he tell you anything about the circumstances
15 under which he had conceived the invention?

16 No. That was a question you asked me before.
17 No.

18 So the privilege doesn't even apply then, I
19 guess, if I looked at this literally, the fact that Dr.
20 Falster has circumstances under which he conceived the
21 invention that he didn't share with his attorney, that
22 obviously isn't even subject to privilege.

23 Have you seen any written material corroborating
24 his recollection as to his conception of the invention?

25 Other than the invention disclosure, no.

1 So, you know, those four series of questions
2 seems to be in conflict with one another. But what the
3 attorney said was he didn't tell him anything about the
4 circumstances under which he had conceived the invention.

5 Have you seen an invention disclosure
6 corroborating his concept of, his account of the conception
7 of the invention?

8 And then the attorney says, you asked his
9 account. Do you mean this account? I am not sure what you
10 mean because you sort of moved your hand like it was
11 supposed to communicate something.

12 I communicated that I was moving my hand, I
13 think nothing more.

14 Have you seen any written material corroborating
15 the account of the conception of the invention that's set
16 forth in Interrogatory No. 5 and apparently was communicated
17 to you sometime between 2001 and 2005?

18 I don't recall any such documents.

19 So he is saying I don't recall. He is not
20 saying he didn't have it.

21 Have you spoken with anybody other than Mr.
22 Falster about who corroborated his account?

23 Answer: As to what subject?

24 As to the conception of the invention that's set
25 forth in response to Interrogatory No. 5.

1 To corroborate the date, no.

2 To corroborate any other aspect of the
3 conception?

4 No.

5 So it is clear that he had conversations with
6 Foster about something. But it's not clear to me what's
7 even under the privilege at this stage of the game.

8 UNIDENTIFIED SPEAKER: That is one of the
9 struggles, Your Honor, at the deposition, is to figure out
10 where to draw lines.

11 THE COURT: That is the problem. That is the
12 reason why I am finding that you are going to produce the
13 invention disclosure. I think there is enough here that has
14 caused -- I don't think the Court can, in the end, parse
15 out, okay, this much we disclosed and we allowed it and we
16 were good guys by disclosing it, but the rest of it we are
17 going to protect. I think there has been a whole host of
18 related subject matter that has been disclosed. I am not
19 just relying upon the fact that the disclosure of the
20 disclosure statement of the '104 patent was produced.

21 It seems to me that trying to draw these nice,
22 little lines and areas is just, if you will excuse the
23 expression, dammed near impossible.

24 So the disclosure statement for the, my
25 understanding of the patent that is in dispute here, which

1 is, I think is the '302 disclosure, will be provided.

2 UNIDENTIFIED SPEAKER: It is the '104, Your
3 Honor.

4 THE COURT: It is the '104 in this case but the
5 '302 had been disclosed.

6 UNIDENTIFIED SPEAKER: Yes.

7 THE COURT: I got them confused. I apologize.
8 Then the '104 will also be disclosed.

9 So I think I have covered all the issues that
10 were addressed by the parties in their two submissions,
11 except for the one thing that is left is if you wish me to
12 do that review. And I will do it.

13 UNIDENTIFIED SPEAKER: Okay.

14 UNIDENTIFIED SPEAKER: Thank you very much for
15 your patience, Judge.

16 THE COURT: It's not patience. It's just trying
17 to parse out what you are asking me to do. And sometimes I
18 can't do the impossible. It's just easier to try to draw
19 some line someplace.

20 UNIDENTIFIED SPEAKER: Thank you, Your Honor.

21 THE COURT: Thank you, all.

22 (Teleconference concluded at 12:05 p.m.)

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24 Reporter: Kevin Maurer

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